

THE NUMBER OF INTERNET  
USERS IN CHINA QUAD-  
RUPLER IN 1999 AND WILL  
SURGE TO OVER 20  
MILLION BY 2001. THIS  
WILL GIVE MILLIONS OF  
CHINESE DIRECT ACCESS  
TO A WORLD OF IDEAS  
AND INFLUENCES.

# Permanent Normal Trade Relations for China

## A STRONG DEAL IN THE BEST INTERESTS OF AMERICA

In the coming weeks, Congress will debate whether the United States will grant permanent Normal Trade Relations (PNTR) to China. This decision could fundamentally change not only our relationship with China, but China itself. The passage of PNTR represents the most significant step in our relationship with China since President Nixon first went there nearly three decades ago.

China's accession to the WTO is a clear economic win for the United States, and together with PNTR, will open the world's largest emerging market to American goods and services in an unprecedented fashion. Without PNTR, our competitors in Asia, Latin America, Canada and Europe will reap these benefits, while American farmers, workers and businesses will be left behind.

In addition, WTO accession, along with PNTR, will help us promote a stable, mutually beneficial relationship with China that will advance America's foreign policy and security goals. It will also increase China's opening to global forces that will over time empower its people, increase their access to information, expand their contact with the democratic world, and deepen their connections to outside influences and ideas.

These are the reasons why the Agreement and the passage of PNTR have attracted the support of groups representing millions of farmers, workers and businesses, influential foreign policy voices, and human rights advocates.

### THE ECONOMIC CASE

This is not a trade agreement in the traditional sense—this is a one-way deal. China would make unilateral concessions as the price of its admission to the WTO, while we would simply maintain the market access policies we already apply to China.

- China's entry into the WTO and the passage of PNTR will slash barriers to the sale of American goods and services in China. This would dramatically expand our access to a market of over one billion people.
- For the first time, our companies will be able to sell and distribute products in China made by workers here at home without being forced to transfer our technology to China.
- For the first time, China will agree to play by the same WTO rules we do.
- WTO rules will allow the U.S. to continue to block imports of goods made with prison labor, to maintain our export control policies, to use our trade laws, and to withdraw benefits including NTR in a national security emergency.
- China made significant, one-way market-opening concessions across virtually every economic sector, including agriculture, services, technology, telecommunications, and manufactured goods. China also agreed to eliminate "unseen" barriers, such as exclusive rights to import and distribute goods.

## REFORM IN CHINA, STABILITY IN ASIA

China's accession and PNTR will help promote broad-ranging reform in China and create a safer world.

- The Chinese government would play a diminished role as citizens' employer, landlord, shopkeeper and nanny rolled into one—with profound consequences for the expansion of personal freedoms.
- China will be exposed to more global competition and will thus be under greater pressure to privatize its state-owned industries and expand the role of the market in the Chinese economy.
- The agreement will encourage Chinese leaders to move in the direction of meeting the demands of the Chinese people for openness and accountability.
- In opening China's telecommunications market—including Internet and satellite services—the agreement will over time expose the Chinese people to information, ideas and debate from around the world.
- China's WTO accession and our enactment of PNTR status will also help strengthen the rule of law. The Chinese government will publish laws and regulations and subject pertinent decisions to review of an international body.
- Passage of PNTR will encourage Asian economic security and stability by integrating China further into the international mainstream and encouraging respect for and implementation of international standards.
- At the same time, the U.S. will continue to press China to respect global norms on human rights and non-proliferation and reject the use of force as a means to resolve the Taiwan question.

## WHY PNTR

China will enter the WTO with or without PNTR. But the United States will lose the full market access benefits of the agreement we negotiated if we do not grant China PNTR.

- Asian and European competitors would reap these benefits but American farmers and businesses would be left behind.
- Not passing PNTR would not free a single prisoner in China, or create a single job in America, or reassure a single American ally in Asia. It would simply empower the most rigid, anti-democratic elements in the Chinese government.
- The United States has an enduring national interest in the emergence of a China that contributes to stability in Asia, is open to the world, and respects international standards. Congressional passage of PNTR status for China will advance these important objectives.

## BRENT SCOWCROFT, USAF LT. GEN. (RET.) AND FORMER NSA:

*"I'm strongly in favor of granting permanent Normal Trade Relations to China, not as a favor to China, but because doing so would be very much in the U.S. national interest. This, in my judgment, goes far beyond American business and economic interests... We cannot ourselves determine the ultimate course China will take... But we can take steps which will encourage China to evolve in directions compatible with U.S. interests. To me, granting permanent Normal Trade Relations is one of the most important such steps that Congress can take."*

Testimony Before the Senate Commerce Committee, April 11, 2000

## MARTIN LEE, CHAIRMAN OF THE DEMOCRATIC PARTY OF HONG KONG:

*"The participation of China in the WTO would not only have economic and political benefits, but would serve to bolster those in China who understand that the country must embrace the rule of law, which of course is a key principle underlying active membership in global trade organizations... For those of us who have long pressed for vigorous adherence to the rule of law in China, it is encouraging that so many Chinese officials support the nation's entry into groups such as the WTO."*

Letter to President Clinton, November 14, 1999